

**REPORT OF THE
HUMAN RESOURCES COMMITTEE OF THE
BOARD OF DIRECTORS OF THE
COOK COUNTY HEALTH AND HOSPITALS SYSTEM**

August 28, 2008

ATTENDANCE

Present: Chairman Andrea L. Zopp and Directors David Carvalho and Sister Sheila Lyne, RSM (3)

Absent: Directors Quin R. Golden and Jorge Ramirez (2)

Chairman of the Board Warren L. Batts (Ex-Officio)

Also Present: Director Jerry Butler; Cecil Marchand – Associate Administrator, Stroger Hospital of Cook County; Elizabeth Reidy – Deputy Chief, Civil Actions Bureau, Office of the State's Attorney; Jonathan Rothstein – Acting Bureau Chief, Bureau of Human Resources of Cook County; Deborah Santana – Office of the Secretary to the Board; David Small – Chief Operating Officer, Cook County Bureau of Health Services; Sidney Thomas – Chief Operating Officer, Provident Hospital of Cook County

Ladies and Gentlemen:

Your Human Resources Committee of the Board of Directors of the Cook County Health and Hospitals System met pursuant to notice on Thursday, August 28, 2008 at the hour of 7:30 A.M. at 1900 West Polk Street, Suite 220, Chicago, Illinois.

Your Human Resources Committee has considered the following items and upon adoption of this report, the recommendations follow.

Roll Call

Deborah Santana, of the Office of the Secretary to the Board, called the roll of members at 7:50 A.M., and it was determined that a quorum was not present.

The Committee received information until 7:55 A.M., at which time Chairman Zopp noted for the record that Director Lyne was present, which constituted a quorum.

OLD BUSINESS

Discussion of potential revisions for Policy Number HR.1-20 – Hiring Process for Non Physicians and Physicians including process for senior executive recruitment and hiring, involvement of director, diversity of applicants and use of recruiters.

Chairman Zopp indicated that this item would be deferred, but that the Committee would receive some information on the subject at this time.

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Chairman Zopp inquired of David Small, Interim Chief Executive Officer of the Bureau of Health Services, whether he is still working on composing the group of people to examine how to refine the hiring process.

Mr. Small replied in the affirmative. He noted that Jonathan Rothstein, Acting Chief of the Cook County Bureau of Human Resources, had provided to the Directors the County's current policy on equal employment opportunity, in response to an inquiry regarding diversity criteria.

Chairman Zopp inquired whether members had any thoughts regarding whether the hiring of senior-level executives and the involvement of Directors in this process should be a formal or informal process.

Director Carvalho stated that he is more interested in knowing that a process is in place, rather than being substantively involved in it.

Chairman Zopp stated that for the senior positions in particular, it is important that the Directors be involved in the interviewing process; a formal policy to do this may not be necessary. She stated that she hoped Mr. Small was now aware of the Directors' wishes on this issue.

Mr. Small gave his assurance that this would happen and he noted that he would welcome involvement in the finalist portion of the interview process. He stated that for these key positions everyone would know the process and would be updated.

Chairman Zopp raised the issue of whether they wanted to employ professional recruiters, and noted that the Bureau traditionally does not use them.

Mr. Small stated that this was correct. He further stated that he would like to use outside recruiters for the Chief Financial Officer position. There are some unexpended professional contracts funds that could be utilized; however there is no discrete line item in the budget for recruitment.

Mr. Rothstein, Acting Bureau Chief, Bureau of Human Resources of Cook County, concurred, and stated that a recruiter was used for the County's Inspector General position. He further stated that he was not sure whether the funds that Mr. Small referred to could be procured.

Mr. Small stated that if they decided to use recruiters, he would develop a contract and bring it before the Committee.

Chairman Zopp suggested that Mr. Small review the existing recruitment contracts, as they are already vetted. Perhaps an extension could be made to these contracts, as the vetting of new contracts might present a delay. She requested that Mr. Small come back with some recommendations regarding how to proceed.

Director Carvalho stated that they probably did not have funds to use a recruiting firm for every position, and that therefore Mr. Small needs to prioritize. He further stated that a Request for Proposals process would not be necessary, as they could write resolutions that defined their procurement process.

Elizabeth Reidy, Deputy Chief, Civil Actions Bureau, Office of the State's Attorney, confirmed this. She further stated that, however, because the enabling ordinance requires that the System's procurement policy be consistent with the County's procurement ordinance, there will always be execution forms for

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things such as certification as to real estate taxes and requirements relating to minority and women owned business enterprises (MBE/WBE).

Chairman Zopp stated that the following items should be included in policy revisions regarding searching for an executive team: 1) diversity is a key issue; 2) the directors will be consulted; and 3) recruitment search firms may be used on occasion.

Review, discuss and approve physician labor contracts
(See Attachment #1.)

(Deferred, as amended, on August 18, 2008.)

- a) An agreement for the period of January 29, 2008 - November 30, 2008 between Service Employees International Union, Local 20 and Cook County for certain physicians employed at Provident Hospital of Cook County.
- b) An agreement for the period of August 28, ~~2008~~ 2007 - November 30, 2008 between Service Employees International Union, Local 20 and Cook County for certain physicians employed at Cermak Health Services.
- c) An agreement for the period of August 28, ~~2008~~ 2007 - November 30, 2008 between Service Employees International Union, Local 20 and Cook County for certain physicians employed at the Ambulatory and Community Health Network.

Director Carvalho, seconded by Director Lyne, moved the approval of the three physician labor contracts, as amended.

Chairman Zopp stated that these physician labor contracts had been deferred at the last meeting so that the Committee could gain a better understanding of the financial commitment involved in meeting these salary increases.

Mr. Small offered the following preliminary analysis: A comparison was made of the current rate of pay of non-union physicians in the System to the approved pay scale for the unionized positions; it was determined that there was a \$4.2 million to \$4.3 million gap. The Board-approved reclassifications were then included, and it was determined that the gap was reduced to approximately \$1.3 million to \$1.5 million. This figure accounts for those physicians who were not proposed for reclassifications (department chairs, etc.) and for those reclassifications which were done not with an eye toward closing the gap with the union physicians, but rather for internal equity and market placement. As a starting point going into the 2009 budget, it is suggested that the Board consider closing that gap, and consider how to treat the non-union physicians relative to the union physicians.

Mr. Rothstein stated that the funding for these three agreements should be available and is not reflected in the current System budget. However, going forward, these would need to be budgeted by the System.

Director Butler suggested that all positions in the budget be filled.

Mr. Small agreed, and stated that positions should not be left unfilled in order to balance the budget.

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Chairman Zopp clarified that the System will be committing itself to an increase in its budget of \$25 million, with an extra \$1.2 million if we want to match the Stroger salary increases.

Chairman Zopp stated that this will have to be addressed as a budgetary issue; the position to take is that these are the right salaries to be paying the physicians, in order to stay competitive and to get the best physicians.

Mr. Small stated that approximately more than \$70 million in union-scheduled increases and other cost of living-type increases have been built into the budget as a starting point.

Director Carvalho inquired whether there are commitments in the contract for providing administrative support.

Mr. Rothstein replied in the negative.

Director Carvalho stated that there needs to be a different process used to develop a balanced budget rather than the process under which vacant positions are used to fund different areas of the budget.

Chairman Zopp stated that the System may need to reallocate resources; she noted that benchmarks are needed in order to determine this.

Director Lyne inquired as to the average physician's salary.

Mr. Small stated that he would get this information, including different divisions, and would send it to the Directors.

Mr. Rothstein stated that when he did the cost estimates for these three contracts, it was based on 50 full-time employees, which would render an average salary of approximately \$200,000.

Mr. Small stated that he does have some benchmark information, which he will forward to the Directors.

Chairman Zopp inquired whether the contracts will prohibit the transfer of physicians from one facility to another.

Mr. Rothstein replied in the negative.

On the motion to approve the three physician labor contracts, as amended, a voice vote was taken and THE MOTION CARRIED UNANIMOUSLY.

Update on processes of salary reclassifications.

Chairman Zopp inquired as to the status of the approved salary reclassifications.

Mr. Small delivered the following status update: The review of all positions has been completed in coordination with Mr. Rothstein's staff; the required information has been vetted and approved.

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Paperwork is being prepared to get the salary adjustments through the Payroll Department. The physicians should see the pay changes in the next payroll cycle. There may be an outstanding question on one individual that is still being reviewed. On the non-physician side, there were roughly sixty individuals that were approved by the Board. After review downtown we found a number of issues that had cropped up. Approximately 13-15 individuals on that list were actually bargaining unit-represented individuals and, as such, their classifications or raise changes that had been proposed were out-of-bounds. Therefore they will not be processed that way; the System is restricted in that respect. Also, there were 17-20 individuals of those sixty who required desk audits. These desk audits might show that the individual increases might be more or less, or might prove not to sustain what the manager was attempting to do. In the event that any of those result in a non-action, it will be reported back to the Committee.

Chairman Zopp requested that Elizabeth Reidy, Deputy Chief of the Civil Actions Bureau of the Office of the State's Attorney, deliver an interpretation.

Ms. Reidy replied that until the System adopts their own rules, regulations or procedures with regard to these functions, the existing County Personnel rules, regulations and procedures under Mr. Rothstein, shall apply. The Committee could determine that it would like Mr. Rothstein to do something different, however, she would have to ask Mr. Rothstein whether he is able to do that for the System at this time.

Chairman Zopp stated that this issue strikes her as more budgetary than hiring.

Ms. Reidy stated that this would fall under "compensation," which is an item which would eventually fall under their purview.

Mr. Rothstein stated that it is a budgetary issue but it is also a position classification issue, because you are moving a person from a position in a certain grade to a position in another grade, and in order to ensure that the person is being moved into an appropriate position, there has to be some evidence that they are doing the job of that position.

Mr. Rothstein stated that non-physician reclassifications are not considered by the County Board, but rather are handled by Human Resources. Physician reclassifications, until the System Board began to consider them, were considered by the County Board. There is no reason, however, why this has to be the case.

Ms. Reidy added that historically, when the County Board considered medical staff appointments and reappointments of positions, the salary level, grade and step were included on the agenda. The State's Attorney's Office has always been of the opinion that this is not necessary, and that it is cleaner to keep the notion of appointment to medical staff separate from employment.

Director Carvalho stated that historically it had been done both ways. He inquired whether there is a way to supersede the current structure, as was done with the procurement side with a whole replacement ordinance.

Mr. Rothstein stated under the County's existing Appropriations Ordinance, he has an obligation to do the desk audits because it is his responsibility to ensure that the positions fit within the current classification system. Additionally, there should be a process in place whereby when, for example, a Clerk I is promoted to Clerk II, there is evidence that this employee is doing the work of a Clerk II.

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Chairman Zopp agreed that this process needs to be in place and formalized. Going forward, when the System Board approves salary reclassifications, there is an assumption that all the work to determine the reclassifications is done; the County's role ought to be to ensure that the System Board does not spend money that they do not have.

Mr. Small stated that he, Mr. Rothstein and Ms. Reidy will get together to develop a rule that codifies the discussion that has taken place.

Chairman Zopp stated that she and Mr. Small need to get together to look at all the policies relevant to the Committee, including salary reclassification, so that the Committee can start addressing them.

Mr. Small stated that approximately eight of the sixty non-physicians reclassifications have hit the salary ceiling established by the County. The only way to give them raises would be to promote them into a different position.

Chairman Zopp stated that she is satisfied that there is a process underway for the physicians. With regard to the non-physicians, Mr. Small and Mr. Rothstein have a process underway to work towards resolving issues. Therefore, there is not a need to follow-up on this item on the next agenda.

Update on preparation for Collective Bargaining Negotiations.

Discuss and approve accountabilities and compensation for Interim Chief Executive Officer.

Chairman Zopp, seconded by Director Lyne, moved to recess the regular session and convene into closed session, pursuant to an exception to the Open Meetings Act, 5 ILCS 120/2(c)(2), which permits closed meetings for consideration of: "Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees," and pursuant to an exception to the Illinois Open Meetings Act, 5 ILCS 120/2(c)(17), et seq., which permits closed meetings for consideration of "The recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals for a hospital, or other institution providing medical care, that is operated by the public body." THE MOTION CARRIED UNANIMOUSLY.

Chairman Zopp, seconded by Director Lyne, moved to adjourn the closed session and convene into regular session. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

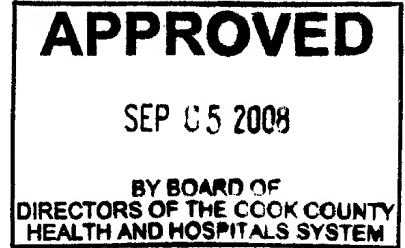
Discuss and approve salary reclassification
for Chief Operating Officer of Cermak Health Services.

Chairman Zopp stated that this item was WITHDRAWN from consideration.

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Public Comments

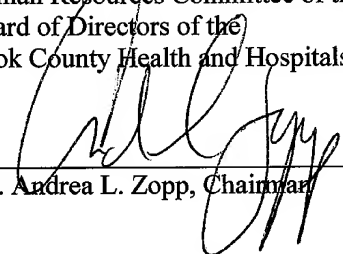
Chairman Zopp asked the Secretary to call upon any registered public speakers.

The Secretary responded that there were none.

Adjournment

Director Lyne, seconded by Director Carvalho, moved to adjourn. THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED.

Respectfully submitted,
Human Resources Committee of the
Board of Directors of the
Cook County Health and Hospitals System



Ms. Andrea L. Zopp, Chairman

Attest:



Matthew B. DeLeon, Secretary

REVISED

August 18, 2008

Health and Hospital Systems Board

Transmitting herewith is a Collective Bargaining Agreement and Wage Resolution covering SEIU Local 20 representing doctors at Ambulatory Health Care Network, Cermak, and Provident Hospital for your consideration and approval at the August 18, 2008 Board Meeting.

The wages negotiated are as follows:

FISCAL YEAR 2005	1.00% wage increase	\$ 219,073.00
FISCAL YEAR 2006	3.00% wage increase	\$ 334,108.00
FISCAL YEAR 2007	4.00% wage increase	\$ 460,165.00
FISCAL YEAR 2008	4.75% wage increase	\$ <u>569,750.00</u>
ESTIMATED COST		\$ 1,582,596.00
NO BONUS		

	<u>PROVIDENT</u>	<u>ACHN & CERMAK</u>
CURRENT SALARIES:	\$ 9,741,592.00	\$ 12,165,660.00
INCREASE IN PAYROLL (12.75%)	\$ <u>703,461.00</u>	\$ <u>879,135.00</u>
TOTAL ESTIMATED NEW PAYROLL:	\$10,445,053.00	\$ 13,044,795.00

Jonathan A. Rothstein
Acting Bureau Chief

JAR: bt

¹ These figures reflect the cost of retroactive payments to the date of certification. The union was certified as the bargaining agent at ACHN and Cermak on August 28, 2007 and at Provident on January 29, 2008.

Summary of Service Employees International Union Local 20 Attending Physicians
Contract for ACHN, Cermak Health Services and Provident Hospital

REVISED

The County recently completed negotiations with Service Employees International Union, Local 20 of agreements covering physicians employed at three locations: Provident Hospital, the Ambulatory and Community Health Network (ACHN) and Cermak Health Services. The previously negotiated contract covering doctors at Oak Forest Hospital was used as the template. Significant provisions of these agreements include:

- A comprehensive management rights clause reserving to management full discretion in the operation of the facilities except as expressly limited by the agreement.
- A provision guaranteeing that credentialing decisions are not subject to the grievance and arbitration provisions of the contracts. The agreement does include a standard "just cause" provision for employee discipline, but loss of credentials leads to automatic termination of employment.
- Layoff language that allows management to consider a broad range of performance measures in determining order of layoff and recall. This is significantly better than the rules for physicians, which require layoff by seniority.
- Promotion is reserved to the discretion of management based on a broad range of performance factors.
- The work week is defined as a minimum of 50 hours per week with physicians agreeing that they will work all hours necessary to perform their duties. Special earnings for weekend and other work have been eliminated.
- The County resisted all attempts to set a minimum salary about the current grade of K4 (the union proposed a minimum grade of K6) and successfully resisted all demands to upgrade or reclassify physicians.
- A union proposal allowing physicians to have veto power over malpractice settlements was successfully resisted.
- The County resisted inclusion of a guaranteed annual amount of continuing medical education courses, while agreeing to paid time off to attend these sessions and to allowing physicians to access previously negotiated funds for continuing education for all Local 20 members.
- An agreement was reached to place these physicians on the physician salary schedule previously negotiated between the County and the Union for Oak Forest Hospital physicians. This schedule incorporates wage increases of 12.75% over a 4 year period commencing December 1, 2004 through November 30, 2008. Doctors at these three facilities will be entitled to retroactive increases to the date on which their bargaining unit was certified, which is August 28, 2007 in the case

Summary of Service Employees International Union Local 20 Attending Physicians
Contract for ACHN, Cermak Health Services and Provident Hospital

REVISED

of ACHN and Cermak and January 29, 2008 in the case of Provident Hospital.
The total estimated cost is set forth on the transmittal sheet but is approximately
1.6 million dollars.

- Other benefits including health insurance, holidays, vacation, sick days and the like are status quo and consistent with the benefits generally provided to County employees. This includes changes in employee contributions to the cost of health insurance and plan design changes in co-payments and deductibles negotiated in 2004 with the other unions representing County employees.